



# Ray Mining LC

Perlite - Pumice  
Gypsum

5/027/055

884 N. Oakwood Circle  
Price, Utah 84501

Tel. 435.637.6414  
Fax 435.637.6414  
email: bnrays@afnetinc.com

July 19, 2000

Division Of Oil Gas and Mining  
1594 West North Temple Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114

Attention: Tom Munson

Re: Project ID S270055

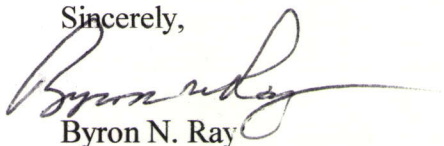
Dear Tom;

As a follow up to our conversation on this date, I am returning the Annual Permit Fee form with this note of explanation. As I mentioned, I was not aware that there was an open permit on the Cudahy property. It appears that this is the permit opened by Tom Clark sometime around 1994, which he never worked. At that time he requested closure of the permit and a number of us (yourself, Wayne Hedburg, Tony Aquire, Steve Sorenson and myself) met at the mine site. It was determined that since no work had been done, that the permit should be closed. At that time, your group took measurements of the areas that had been disturbed in prior years (some dating back into the 1950's).

I am not aware of any other permits having been requested or issued since that time (or prior to that time). You are aware of the drilling that Advanced Construction Materials Corporation (ACMC) did in July of 1999. I believe you and Bob Cameron from ACMC discussed this drilling. At that time 7 holes were drilled for a total footage of 600 feet plus or minus a few feet. This was done with a tricone bit which I would estimate being 5 inches in diameter. These holes were drilled on existing roads on the patented Cudahy property and did not extend onto any BLM land. After drilling, the holes were plugged with rocks and debris.

I would appreciate your checking into the existence of any open permits, but at this time I doubt that any exist. I will be out of town for the next 2 ½ weeks and will call you upon my return so we can discuss this matter further if necessary. I would be happy to go to the property with you to walk over the property and find a resolution to any concerns you might have.

Sincerely,

  
Byron N. Ray

RECEIVED

JUL 25 2000

DIVISION OF  
OIL, GAS AND MINING